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RED CAPITAL THREATENED BY GOVERNMENT ADVANCE

Offensive Launched By Communists On Fringe Of Yenan Pocket

Preparing For Another Long March To Safe Spot?

Nanking, Oct. 17.—Indications that major military activity may shortly centre around the Communist political capital, Yenan, were seen to-day in the official Central News reports claiming that the Communists have launched an offensive in northern Shensi against Government-held cities on the northern fringe of the Communist Yenan pocket.

The official version claimed the Communists were attacking Chinchuan and Hengshan, respectively 93 and 94 miles north-west and north-east of Yenan, near the Shensi-Sulyuan border.

Military observers attach great significance to this report which might mean one of two things:

(1) A Communist attempt to break out of geographically and militarily isolated Yenan by opening a path for another Communist "long march" to a safe spot;

(2) Government propaganda screen for an impending drive on Yenan, or an attempt to exert pressure on the Communists to force them into acceptance of the Government offer.

It will be recalled that Nationalist papers recently carried occasional reports of Communist attacks in northern Shensi which is the usual Government propaganda buildup before launching the attacks.

Meanwhile, semi-official papers report further Government successes in the Nationalist drive on Tungshwa, 120 miles east of Mukden, which is believed to be the prelude to a major Government drive on Antung, main Communist base in south Manchuria through which Communist supplies from Manchuria reach China Proper.

More Towns Taken
Central News reports that Government troops have captured Jungling and Shinglin, 55 and 30 miles east of Tungshwa. The Peace Daily reports that Taingho, 23 miles north-east of Peshihua, also has fallen to Gen Tu Li-ming's troops.

In northern Honan the Nationalists were reported to have captured Tsin-yang, terminus of the extension line from the Peiping-Hankow railway, branching off from Hsinshajiang. The Defence Ministry announced to-night that Government troops have occupied Sultung, 110 miles from Chihfeng in northern Jehol. Sultung was the Communists' major gateway for their troops inside the Great Wall to Communist-dominated south-west Liaosel province.

The occupation of the town has completely cut off the Communists in the areas south and north of Kailu which lies 15 miles north-east of Sultung.

Latest information from Mukden said the Communists are poised for a full dress offensive on Szeipingki. A considerable force of Communist troops is reported massing in Panchengtsi, about 95 miles north-west of Szeipingki.

Railways Cut
The Peiping-Mukden Railway remained cut for the third consecutive day between Taingho and Chingwangtsi as a result of continuing attacks by the Communists who were reported to be attempting to cut off supplies going to Government troops in Manchuria under the command of Gen Tu Li-ming.

A unit of the American-trained 94th Nationalist army has been rushed to Tungshwa, midway between Tientsin and Chingwangtsi, to strengthen the garrison at the Tungshwa coal mines which is the main source of fuel in North China.

Following the recent mopping up of the Communists along the Peiping-Mukden railway line, it is authoritatively reported in military quarters in Peiping that 1,000 Reds have returned daily under cover of darkness.

Other attacks also are reported to have been made by the Communists during the past 48 hours along the Peiping-Tientsin section of the Peiping-Mukden railway. According to the World Daily the Communists attacked Yangtsun station, 15 miles north-west of Tientsin but were repelled by the Nationalists. The newspaper adds that at almost the same hour two other groups of Communist guerrillas

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NEW PEACE OFFER MADE TO REDS BY CHIANG

Nanking, Oct. 17 (UP).—A Chinese Government representative left Nanking to-day for Shanghai with the latest peace offer to the Communists from Marshal Chiang Kai-shek. The Government envoys are expected to arrive to-morrow.

It is believed the proposals contain an offer from Chiang Kai-shek that the "cease fire" order will be issued to Nationalist troops if the Communists agree to negotiate for peace.

It is believed in Nanking that if this offer is rejected the Generalissimo is likely to convene the National Assembly which would meet without the Communists. It is expected the military operations would be intensified.

Third Party Request

Shanghai, Oct. 17 (UP).—The Leftist evening paper, Lien Ho Jih Pao, claimed to-day that the third party leaders have requested Gen Marshall and Ambassador Leighton Stuart to come to Shanghai to join in the efforts to settle the political deadlock.

The paper said the third party request was forwarded to the U.S. mediators through the Democratic League leader, Liang Shou-min.

Top ranking Government negotiators Wu Teh-chen and Shao Li-tze arrived in Shanghai by plane this afternoon to contact the third party leaders and then the Communists on the latest Chiang Kai-shek peace offer promising the issuance of cease-fire provided the Communists agreed to resume army and government re-organization discussions and participate in the National Assembly.

Wu's aides said conferences were not yet scheduled and observers believed the Government representatives would first contact the third party leaders individually before arranging joint conferences.

HK RESIDENT DEAD

Mr. M. U. Razack, of Gilman and Company, died at 1 a.m. to-day at the French Hospital at the age of 39 years.

The funeral will take place at the Mohammedan Cemetery, Happy Valley, at 5.30 to-day.

Greek Leftists? Protest To UNO

Athens, Oct. 17.—The Central Committee of the Left-wing organisation EAM to-night sent a protest to the United Nations against the British military "occupation" and that it described as British interference in the internal affairs of Greece.

A Ukrainian complaint to the United Nations Security Council that the presence of British troops in Greece threatened the peace of the

AIR LINER TRAGEDY IN WYOMING

Laramie, Wyoming, Oct. 17.—The crew of three and ten passengers were killed when a passenger plane crashed three miles west of here during a blinding snowstorm. It was reported to-day. The crash took place as the plane came in to land.

The plane was a chartered passenger plane operated by a private airline.—Reuter.

Balkans was rejected by the Council last month. The Moscow radio commentator Mikhailov asserted in a broadcast to-night that the British troops in Greece were being substantially reinforced. He also asserted that Britain was supplying arms to the new military groups being formed by the Greek government, "whose sole aim was to suppress the Democratic elements in Greece." The fact that Greece was in the grip of civil war was due solely to Britain, Mikhailov declared.—Reuter.

Leftists Kidnapped
Athens, Oct. 17 (UP).—Agency reports said to-night that a Rightist band kidnapped 70 persons, believed to be Leftists, from the village of Vrontomou in Southern Peloponnese.

Revolution Plot Foiled In Milan

Milan, Oct. 17.—Police raids to discover hidden arms in the Milan-area were reported to-day to have led to the arrest of members of a secret movement in Milan and Rome "staging a revolution which included the occupation of all ministerial buildings and Government offices."

The police are said to have detained among others, former German soldiers and to have discovered large quantities of firearms including mortars and a secret radio transmitter.

Two weeks ago arrests by the Political Police at Mestre, a suburb of Venice, were reported to have nipped in the bud a supposed Fascist attempt to seize power.—Reuter.

NAVY QUELLS MUTINY ON BRITISH FREIGHTER

London, Oct. 17 (UP).—A Navy boarding party from the Frigate Burghard Bay quelled a mutiny on the British-owned freighter Princeps en route from Argentina to Bristol with a cargo of meat. The Admiralty announced to-day.

The Admiralty spokesman said the ringleaders were taken into custody by the boarding party of one officer and five ratings. The frigate escorted the freighter, which is now four days overdue, to Barry docks at Bristol.

The Admiralty said the master of the 8,371-ton freighter Princeps, which is under tow because of boiler trouble, asked for naval assistance yesterday when the ship was 100 miles south-west of Larni. End. The frigate reached the distressed ship before midnight, 20 miles out.

Burglar Takes Duchess Of Windsor's Jewel Case

Sunningdale, Oct. 17.—While special Scotland Yard men kept guard, priceless jewels belonging to the Duchess of Windsor were stolen by a cat burglar from Ednam Lodge, the Earl of Dudley's home, where the Duke and Duchess are staying.

The robbery, daringly carried out and the work of an expert, occurred while the Duke was visiting the King at Buckingham Palace. The thief climbed a drainpipe and entered by a window.

The discovery was made by the Duchess. She went to her room, found her jewel case missing and after searching for it informed the Duke.

The house was searched and then, at the Duke's request, Scotland Yard were told.

The Duchess of Windsor's jewels were valued at £250,000—two years ago. To-day, they are worth more. She has complete sets of blue sapphires, rubies, emeralds, diamonds, topaz and onyx—a set for each day of the week.

One of her most prized possessions is a diamond tiara given her by the Duke, which she wore on her wedding day in France 11 years ago.

The tiara was made specially for her in Paris. It has four large centre diamonds and three curved upright fingers of smaller diamonds. All are mounted on platinum.—Reuter.

PERSIAN CABINET RESIGNS

Toheran, Oct. 17.—The Cabinet of Ghamv es Sultaneh resigned this afternoon according to most reliable unofficial sources here. It is believed the Shah of Persia will order Ghamv to form a new Cabinet. This will permit Ghamv to eliminate "undesirable" elements from his Cabinet.

The report came within a few hours of the announcement of the agreement between the Persian Government and the trustees in the southern province of Fars, who demanded treatment similar to the northern province of Azerbaijan. One of the demands of the Fars tribesmen was that representatives of the Leftist Tudeh parties should be removed from the Cabinet, though this was not one of the eleven points of agreement announced to-day.—Reuter.

Seven Cobras Loose On Board Freighter

Philadelphia, Oct. 17 (UP).—Seven deadly cobras were on the loose to-day, believed hidden in 7,200 tons of raw rubber and teakwood in the freighter Nicaraguan Victory which is stricken in port here.

The cobras escaped from a shipment of 20 landed at Bangkok and consigned to the Florida research foundation. When the freighter reached port 10 of the cobras had escaped but three were recaptured near the crew's quarters.

The ship's master, Capt. Rosagual, locked himself in the stateroom and the crew quit the ship under strike orders, leaving the cobras freedom of the ship.

The message from the boarding party said "General Insurrection aboard Princeps from coloured crew. There has been an assault upon the officers. All now quiet." The Princeps, it was reported, had 6,400 tons of meat on board. It was reported the trouble started over a protest by the crewmen over working conditions. Officers were reported to have gone below to quiet the men in the boiler room.

The Princeps carried some passengers who were not believed to be involved. The master's first message to the Admiralty said "I am having trouble. Request assistance."

British Police Inspector Shot In Jerusalem

Jerusalem, Oct. 17 (UP).—A British police inspector was shot and seriously wounded to-night in the centre of Jerusalem. The attackers, believed to have been members of the terrorist Stern Gang, escaped after the inspector fired three times at them.

Earlier in Tel Aviv, scores of youths attacked a group of Communists who had called upon Palestine Jews to abandon the policy of violence.

Several pamphlet bombs exploded in Tel Aviv during the evening. Journalist Threatened

London, Oct. 17.—The British Exchange Telegraph News Agency to-day published a despatch from its Jerusalem correspondent George

WANCHAI STILL OUT OF BOUNDS

The following official statement was issued this morning in respect of yesterday's announcement from Army Headquarters on the Wanchai Area: The lifting of the ban on certain areas in it does not come into effect until November 1.

Maranz, announcing that he had been expelled from Palestine "under threats of the Hagana's gunmen."

A young man, accompanied by a Yemenite girl, called at his flat when he was alone on October 10 and recited to him the Hagana's verdict that "he had written very badly" on the Jews in Palestine and would not be allowed to carry on.

The Palestine authorities took the warning at its face value, a senior police officer saying: "They will assassinate you if you carry on," so Maranz spent some days in hiding before leaving the country to-day.

He had been in Palestine six years, he stated.—Reuter.

Arabs To Call Strike
Jerusalem, Oct. 17.—The Palestine Arab Higher Committee decided to-day to call the country-wide general strike in Palestine for November 2—the 29th anniversary of the Balfour Declaration.

The Neighbouring Arab countries have been asked by the Higher Committee to join the strike.—Reuter.

Talks In London
London, Oct. 17.—The British Colonial Secretary, Mr. Creech Jones, met representatives of the Jewish Agency again to-day, it was authoritatively stated here to-night. The talks are expected to continue and no eminent from British official sources was available.

Well-informed quarters believe the main subject discussed was again Jewish proposals to prevent Jewish immigration into Palestine before the 1st estate comes to be resumed on December 16.

So far it is believed Britain has not agreed to these proposals.—Reuter.

GOC Going On Leave
Jerusalem, Oct. 17.—Lieut-Gen Sir Evelyn Barker, General Officer Commanding British troops in Palestine and Transjordan, is leaving Palestine for Britain on October 24 on leave. It was officially announced to-day.

During his absence the command will be taken over by Maj-Gen R. N. Gale, Commanding the First British Infantry Division.—Reuter.

Plea For Reduction Of Tariffs At Trade Talks

ESSENTIAL FOR SMALL POWERS' RECOVERY

London, Oct. 17.—A minimum level of protection and tariffs was essential if India and other Asiatic countries were to take their rightful place in international economic co-operation, said Mr. R. K. Nehru, leader of the Indian delegation addressing the plenary session of the Preparatory Committee of the International Trade and Employment Conference in London to-day.

"It has been generally accepted," Mr. Nehru said, "that industrialisation of backward countries is desirable. The less industrially developed countries include about three-quarters of the peoples of the world, and it is essential for their future well-being that certain minimum level of protection and tariffs should be permitted them during the period of development."

"This fact has not been sufficiently realised by the fully developed countries, but it is essential if India and other Asiatic countries are to take their real and rightful place in international co-operation."

Mr. Nehru said that India was intent on developing her industries for the sake of her vast potential domestic market and not for export purposes.

He accepted the American Charter as the basis for discussion and expressed optimism on the possibility of reaching a final international agreement but pointed out that India was not in full agreement with the American proposals.

The leader of the Chinese delegation, Mr. Wunz King, said tariffs and trade barriers should be reduced on a balanced and equitable basis, taking into full consideration the time necessary for recovery of war devastated countries.

French Position
Mr. Harvey Alphand, head of the French delegation, said that for the interim period the French could not accept the proposed elimination of quantitative control of imports. Stating that France was dependent on imports for one-third of her coal, 88 per cent of cotton, 82 per cent of wool, 67 per cent of fats, 84 per cent of paper pulp and the whole of petroleum products, necessary for her industries, Mr. Alphand pointed out that most of these came from countries to which France exported comparatively little. It was, therefore, essential for France that her trade should be conducted on a multi-lateral and not bi-lateral basis.

"Even allowing for credits France has received from others," he went on, "it is essential for her to retain quantitative control over imports, otherwise the ratio of exports to imports is likely to be far too low. Those nations more favourably placed than France must, therefore, be ready at the same time to receive exports and those of other countries in the same position—and to accept the fact that each country must limit their own imports."

Supporting Mr. Nehru's speech, Mr. Alberto Alvarez, Cuban Minister for Economic Affairs, reiterated the need for tariff protection for those countries wishing to expand their industries.

The speeches of both the Indian and Cuban delegates emphasised that full employment was not enough—both agricultural and industrial workers must be employed at wages which would give them ever increasing higher standard of living. If necessary, the wage system should be worked out to ensure this and also to ensure that when commodity prices were reduced it was not done at the worker's expense.—Reuter.

Wave of Strikes In Ceylon
Colombo, Oct. 17.—The wave of strikes which is now assuming the proportions of a general strike is seriously affecting harbour, railway and power stations here.

With 2,500 harbour workers and hundreds of municipal workers joining the ranks of the strikers this morning the total number of men involved is now over 10,000, all daily paid workers.

The wave of strikes follows the rejection by the Chief Secretary, Sir Robert Drayton, of 31 demands put forward by the Government Trade Union Federation on behalf of the strikers.—Reuter.

Egyptian Premier In England

London, Oct. 17.—The Egyptian Prime Minister, Ismail Sidki Pasha, arrived at Fosse by air this afternoon for talks with the British Foreign Secretary, Mr. Ernest Bevin, in an effort to break the deadlock in the current negotiations for a revision of the 1936 Anglo-Egyptian treaty.

According to the present arrangements, Sidki Pasha will meet Mr. Bevin in London to-morrow for the first of a series of discussions. He will lunch with Mr. Bevin and the Prime Minister, Mr. Clement Attlee to-morrow and will then meet Mr. Bevin again the following morning.

The Egyptian Premier will be met in London by Mr. Hector McNell, the Minister of State, and Sir Ronald Campbell, the British Ambassador to Cairo. Lord Stansgate, head of the British delegation to Egypt, is expected and will not be present.—Reuter.

Big Four Study Of Reparations Asked

Paris, Oct. 17 (UP).—A request for the reparations problem to be presented to the Council of Foreign Ministers at its next meeting has been made by the Inter-Allied Reparations Commission, according to an official communiqué released here to-day.

Despite the quick transfer of German industrial material as reparations—as envisaged by the Potsdam Declaration—only 72 factories within the zone of occupation have been put at the disposal of the Commission.

The communiqué said: "Of this significant number only sufficient detailed information to make distribution of 37 factories has been furnished."

STOP PRESS

JAP GOVERNOR OF HONGKONG TO DIE

Canton, Oct. 17 (UP).—The Chinese Military Court to-day sentenced to death Lt. Gen. Isakasi Tanaka, C-in-C of Japanese forces in South China in 1939 and later Governor of Hongkong.

He has already been sentenced to hang by the U.S. Military Court for authorising the execution of 14 AAF fliers and Major David Henry Hauck, whose plane was shot down over Hongkong in 1945.

The Chinese court held Tanaka guilty of permitting atrocities against civilians and authorising opium imports for sale.

The Chinese authorities were reported to be preparing to return Tanaka to the U.S. Army for hanging—but will execute the Japanese general by firing squad in Canton as soon as the sentence is approved.

